



VEON Sustainability Report 2018

Independent Assurance Statement

ABOUT THIS REPORT

Independent Assurance Statement



Scope of engagement

Challenge Sustainability Limited (“Challenge Sustainability”, “us” or “we”) were commissioned by VEON Amsterdam B.V. (“VEON”) with the objective to provide assurance of VEON’s 2018 Sustainability Report (the “Report”) in relation to the AA1000 Accountability Principles and assurance over the Subject Matter presented in the Report, for the reporting year ended 31st December 2018.

Our agreed objective was to obtain a ‘reasonable’ level of assurance for the Subject Matter, to meet the requirements of the International Standard on Assurance Engagements (ISAE) 3000 revised. For the AA1000 Principles, our assurance engagement was planned and performed to meet the requirements of a Type 1 “moderate level” of assurance as defined by AA1000 Assurance Standard (AA1000AS) 2008.

The scope and boundary of our work is restricted to the following areas:

1. Subject Matter

- Active mobile subscribers (#)
- Mobile voice traffic (minutes)
- Mobile data traffic (GB)
- Reduction of voice inaccessibility (%)
- Total employees (#)
- Economic value generated & distributed (USD)

To assess the Subject Matter, which includes an assessment of the risk of material misstatement in the Report, we have used VEON’s Sustainability Reporting Manual (the “Reporting Criteria”). The Management of VEON are responsible for preparing the Sustainability Report in accordance with the Reporting Criteria, which are based on the GRI Sustainability Reporting Standards of the Global Reporting Initiative.

2. AA1000 Principles

We assessed the nature and extent of adherence of the Report to the AA1000 Principles of inclusivity, materiality and responsiveness (the “AA1000 Principles”). To assess the AA1000 Principles we have used the publicly available AA1000 AccountAbility Principles Standard (AA1000APS) 2008 (the “Principles Criteria”).

We have not performed any work, and do not express any conclusions, on any other information outside of the Subject Matter that may be published in the Report or on VEON’s website for the current reporting period or for previous periods.

Our Conclusions

Subject Matter

Based on the procedures we have performed and the evidence we have obtained, in our opinion, the Subject Matter is fairly stated and has been prepared, in all material respects, in accordance with the Reporting Criteria. This conclusion relates only to the Subject Matter and is to be read in the context of this Statement.

Our Observations

We provide our observations and areas for improvement in a separate report to VEON’s Management team. Only selected observations are provided below. These observations do not affect our conclusions set out above.

Subject Matter

The indicators within the scope of our assurance include two (Quality of Services and Financial Performance) of the four highest materiality issues as identified by VEON. We recommend that in future years, the scope of assurance should be extended to cover additional indicators in relation to all of the highest materiality issues.

AA1000 Principles

Based on the work we have undertaken; nothing has come to our attention that leads us to conclude that the Report is not in adherence with the AA1000 Principles as described in the Principles Criteria. We comment on the nature and extent of each individually below.

AA1000 Principles

Inclusiveness

VEON’s business operations demonstrate engagement with a wide range of stakeholders, particularly local communities within several key markets, through VEON’s Digital Entrepreneurship and Digital Skills & Literacy programmes. The Report allows stakeholders to form an understanding of VEON’s response to the current most material issues at a corporate level.

Materiality

VEON have updated their materiality matrix in 2018 through a series of benchmarks, reviews and internal stakeholder dialogue. We also note that VEON has identified the most significant UN Sustainable Development Goals for the company in the report this year.

Responsiveness

VEON has included appropriate information in the Report on its responses to stakeholder issues. We are not aware of any matters that would lead us to conclude that VEON has not reported information on its responses to stakeholder concerns of material significance at a corporate level.

Responsibilities of the Management of VEON

The Management of VEON has sole responsibility for preparing and presenting the Subject Matter in accordance with VEON's Sustainability Reporting Manual and preparing the Report in adherence to the AA1000 Principles. VEON's responsibilities also include maintaining effective internal controls over the information and data, resulting in the preparation of the Subject Matter in a way that is free from material misstatements.

Responsibilities of Challenge Sustainability

Our responsibility is to plan and perform our work to obtain assurance over whether the Subject Matter has been prepared in accordance with the Reporting Criteria and to report to VEON in the form of an independent assurance conclusion, based on the work performed and the evidence obtained. We must also express a conclusion over whether the Report adheres to the AA1000 Principles, as described in the Principles Criteria, and comment on the nature and extent of each Principle individually. The intended users of this assurance statement are VEON and its stakeholders. We do not accept, or assume responsibility to anyone else, except to VEON for our work, for the conclusions that we have reached. We have not been responsible for the preparation of the Report.

Standards and level of assurance

For the Subject Matter, we performed our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain a specified level of assurance.

A reasonable level of assurance means that we aimed to reduce the assurance engagement risk (the risk that an inappropriate conclusion is expressed when the information on the subject matter is materially misstated) to an acceptably low level, but not reduced to nil. A reasonable assurance engagement includes examining, on a test basis, evidence supporting the Subject Matter in the Report. We have evaluated the processes for collecting and consolidating the Subject Matter and performed testing on a sample basis to evaluate whether the Subject Matter is reported according to the Reporting Criteria.

For the AA1000 Principles, our assurance engagement was planned and performed to meet the requirements of a Type 1 "moderate level" of assurance as defined by AA1000 Assurance Standard (AA1000AS) 2008.

Our competence, independence and quality control

Challenge Sustainability has established policies and procedures that are designed to ensure that our team maintain independence and integrity. Our assurance relies on the premise that the data and information provided to us by VEON have been provided in good faith. Challenge Sustainability expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Report. This engagement was carried out by an independent team of sustainability assurance professionals. Further information on our competencies and experience can be found at www.challengesustainability.com. In relation to use of the AA1000 Assurance Standard, Challenge Sustainability is bounded by rules of conduct and professional practice relating to independence and quality overseen by AccountAbility (www.accountability.org/standards/licensing/aa1000as-licensed-providers). The Statement has been reviewed for quality by AccountAbility in relation to the use of the AA1000 Assurance Standard.

Basis of our conclusion

Subject Matter

We are required to plan and perform our work in order to consider the risk of material misstatement of the Subject Matter. Our work included, but was not restricted to:

- Assessing the appropriateness of the Reporting Criteria for the Subject Matter;
- Reviewing the effectiveness of internal controls and the processes for collecting and consolidating relevant data and information;
- Conducting interviews with VEON's Management to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report relevant data and information;
- A visit to Group Head Office to review the processes for gathering and consolidating relevant data and information and checking its consolidation;
- Examining, on a sample basis, source evidence to support the reported Subject Matter, specifically to establish the relationship between data and information aggregated at Head Office level, with the data and information gathered at Operating Company level, with samples of data from Operating Companies chosen on the base of market size and geographical location;
- Reviewing the evidence, measurements and their scope provided to us by VEON for the Subject Matter to assess whether it was prepared in line with the Reporting Criteria; and
- Reviewing the Report and narrative accompanying the Subject Matter in the Report with regards to the Reporting Criteria.

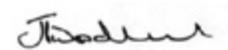
AA1000 Principles

We are required to plan and perform our work in order to form an opinion over the Report's adherence to the A1000 Principles. Our work included, but was not restricted to:

- Reviewing the current sustainability issues that could affect VEON and would be of interest to stakeholders;
- Reviewing VEON's approach to stakeholder engagement;
- Reviewing information provided to us by VEON on its reporting and management processes relating to the AA1000 Principles; and
- Interviewing senior management with responsibility for management of sustainability issues and reviewing selected evidence to support the issues discussed.

For and on behalf of:

Challenge Sustainability Limited



Jon Woodhead, Director
United Kingdom, May 2019



Rob Pearson, Director



ABOUT THIS REPORT

Definitions of Material Topics

1. Impact on Society

This topic refers to the collective impact that our businesses have on society, including the impact of initiatives in supporting schools, improving digital skills and financial support to charities. The livelihoods supported by direct and indirect employment, as well as the business opportunities we offer to suppliers, is included.

Report reference: Impact on Society (pg 7), Fostering Digital Entrepreneurship (pg 25), Bridging the Digital Skills and Literacy Gap (pg 31)

2. Talent Management and Employee Education

This topic describes our commitment to hire, manage, develop, and retain talented employees. It also refers to VEON's diversity agenda, turnover ratio, engagement and applicable labour standards.

Report reference: Talent Management (pg 45)

3. Ethics and Integrity

This topic refers to our policies, approach and initiatives to ensure zero corruption, bribery or other illegal sales practices such as price fixing or abuse of monopoly in any setting, directly or by anyone doing business on VEON's behalf. This also includes our dealings with suppliers, distributors, customers and governments, as well as ethics hotlines and grievance mechanisms.

Report reference: Ethics, Transparency and Governance (pg 24)

4. Environmental Management

Energy and fuel consumption are a significant contribution to VEON's overall environmental footprint. This topic includes the actions taken to introduce energy-efficient network assets, conservation of corporate energy consumption, and fuel use in the logistic and transportation.

Report reference: Environmental Performance (pg 46)

5. Digital Inclusion

This topic refers to bridging the digital divide by increasing access to mobile and digital products, services and technologies regardless of age, language, physical ability, cultural group, gender, minority status, income or other distinguishing characteristics. Our services, including mobile financial services, mEducation and mHealth, help our communities participate actively and productively in society.

Report reference: Digital Inclusion (pg 38)

6. Data, Privacy and Cyber Security

This topic pertains to collective efforts made by VEON and its operating companies to keep customer data safe and to respect the privacy of its customer base. In addition to adopting comprehensive policy, framework and control measures, VEON also reports various KPIs, such as the number of complaints received with respect to data loss or customer privacy.

Report reference: Data Privacy and Cyber Security (pg 41)

7. Quality of Services

This topic comprises of the following;

- The service quality of our products and services; uptime/downtime, number of 2G, 3G and 4G networks, terabytes delivered etc
- The customer perceived quality of our provided products; this includes Net Promoter Scores (NPS) and customer engagement surveys

Report reference: Service Quality (pg 42)

8. Supply Chain Transparency

This topic refers to the complex supply chain employed by VEON and its operating companies, with products and equipment supplied, manufactured and assembled by multiple companies across international borders. Sourcing is characterised by angles that include the following: 1. Supply chain labour standards 2. Conflict minerals 3. Waste and emissions management in the supply chain 4. Materials sourcing 5. Inclusive supply chains.

Report reference: Responsible Supply Chain (pg 44)

9. Financial Performance

This topic concerns the financial performance of VEON. Associated topics include generated revenue, cost structure, wages, taxes paid and other key financial indicators.

Report reference: CEO's message (pg 3), Business Overview (pg 6)

10. Digital Innovation

This topic addresses VEON's commitment in finding new solution to improve its network and services. It refers to the company's ability to act in a way that moves forward in the telecommunication sector and society, as a whole.

Report reference: Fostering Digital Entrepreneurship (pg 25), SDG 9: Industry, Innovation and Infrastructure (pg 51)



VEON CONTACTS

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Feedback and Contact

We are keen to improve the value of our reporting and therefore welcome comments on this document, and our sustainability information on the website.

Please contact sustainability@VEON.com

Note: Most images included in this year's Sustainability Report were submitted by employees in VEON and its operating companies.